



To: House Committee on International Relations & Economic Development
From: Tony Bennett, President & CEO, Texas Association of Manufacturers
Mike Meroney, education and workforce consultant for TAM
Date: August 31, 2020
Re: Committee request for information regarding interim charge #2

The Texas Association of Manufacturers (TAM) represents over 600 manufacturing companies in Texas, including 70 of the state's largest industry employers. Manufacturing is a core element of the Texas economy, directly employing over 869,000 workers who earn an average compensation of more than \$82,500 annually. Moreover, a typical manufacturing job supports 3.8 additional jobs in our state, with some industry sectors, such as petrochemical - which uses Texas oil and gas - providing even higher related job multiples. Viewed in this manner, manufacturing accounts for about 30% of our state's overall employment.

Texas manufacturers urge continued alignment, collaboration, cooperation, and funding in our K-12 and post-secondary education systems to meet the demands of the market, particularly opportunities in the skilled trades. As has been the case for more than a decade, qualified skilled trades-people remain in woefully short supply.

According to a recent study by Deloitte and The Manufacturing Institute: "84% of manufacturing employers say they cannot hire enough capable manufacturing skilled trades people. And while 82% of Americans think we should invest more in manufacturing and skilled trades jobs, only 35% of those people want their children to pursue a skilled trade career." Talk about a severe disconnect in perceptions, and with demand and supply.

But from the dark cloud of the COVID-19 pandemic, a silver lining could emerge: the federal government almost immediately provided clear guidance (through the Department of Homeland Security's CISA memo on Essential Critical Infrastructure Workforce) of which careers and industries were deemed "essential", and therefore critical to the country's economy. We hope students and their families learn a valuable lesson about the stability of industries, like manufacturing, that must remain open for business, even in a pandemic.

The committee asked responses to "identify methods of improving regional coordination and alignment between industry, the public workforce system, public schools, higher education institutions, and community-based organizations to create college and career

pathways.” One such example of coordination and alignment has come through the Federation for Advanced Manufacturing Education (FAME). Originally started by Toyota in San Antonio, FAME chapters aim to be the driving force for developing world-class technical talent for manufacturing and other employers of technical workers and strive to be powerful conduits between industry and education. Texas has three FAME chapters – San Antonio, Dallas/Garland, and East Texas in Tyler – and we hope to nurture more chapters around the state to meet the demands of industry. Learn more at: <https://www.txfame.com>.

Finally, as the state budget is constrained in the next biennial cycle, manufacturers urge appropriators to continue to fund CTE in K-12 and technical education and workforce development in post-secondary programs. Now is the time to re-skill and up-skill Texans and get them prepared to go back to work. CTE programs in middle and high schools serve as a valuable entry point in these talent pipelines, and Texas State Technical College system and many of the state’s community colleges are the point of the spear for technical training in Texas’ essential critical industries like manufacturing.